



## Be My Budget Valentine

Posted by **Pierluigi Oliverio** on Monday, February 14, 2011

The Budget Valentine will be visiting with the Council today at 1:30pm. The Council is having a public study session that will be streamed on the Internet and broadcast on Channel 26. This meeting will include discussion of what cuts will be required based on the budget shortfall.

The budget is assuming that each union agrees to 10 percent total compensation cut. Last year, 25 percent of the workforce took 10 percent total compensation cuts for one year. The current ask of 10 percent is not in addition to the cut from last year, but rather maintains the 10 percent cuts another year for those who took it. The budget is also asking the remaining 75 percent of employees who did not take a 10 percent cut last year to please do their part and take the same cut the others have.

I have thought that a pay freeze for five years or more would be a way to cap spending, but increased pension payments and slow incremental property tax receipts do not allow for this option.

Service-delivery model changes will be discussed as a way to maintain services for residents since layoffs will be sizable. It will challenge the values of providing services to residents versus the current delivery model.

Even if the assumption that the entire workforce takes a 10 percent total compensation cut, the City will still have a huge deficit and therefore sizable reductions in service, thus layoffs. An alternative to the 10 percent total compensation pay cut would be additional layoffs. There is no easy way out and the impacts will be stark. We will also discuss options on the increasing taxpayer contributions to the pension funds and legal options on pension reform.

The last portion of the meeting is something I have asked for several times. This is where the Council must prioritize/rank ordinances. Ordinances originate from Councilmembers, City Departments and State/Federal regulation. Implementing ordinances in many instances will involve the city attorney, planning department, office of economic

development, public works, department of transportation and so on. Each ordinance takes time and effort to implement thus what we call “workload.” I believe ordinances should be prioritized to what could bring in revenue to the City and then what may stimulate economic activity. Quality of life ordinances may have to be put on hold. Some of the choices are:

- Landscape Ordinance to reduce water consumption
- Habitat Conservation Plan
- Sign Code
- Electronic Signs
- Bail Bonds Zoning
- Distinctive Neighborhoods for preserving neighborhood character
- Green Building for home additions and alterations
- Lighting on Private Property
- Off-Sale Alcohol Process
- Fence Heights
- Tree Removal Process
- City Landmark Criteria
- Regulate Check Cashing
- Medical Cannabis
- Zoning for Housing around Transit
- Outdoor Events in public places
- Towed Car Regulation
- Condominium/Apartment Conversion
- Social Host-Liability for adults that allow minors to drink alcohol
- City-County Collaboration
- Smoking Outdoors
- Excessive Police Force
- Expansion of Parking Meters
- Taxicab Vehicle Regulation

Which ordinances are most important to you?

Finally, you may have heard that San Jose is eligible for a \$15 million (over two years) Federal Grant from Federal Emergency Management Agency (FEMA) to rehire firefighters who were laid off last year when an agreement could not be reached on concessions. The grant sounds good; however, there is a significant string attached to your federal tax dollars.

If the grant is accepted then there would be zero layoffs in the fire department for the next two years. As I mentioned above, the deficit, even with 10 percent concession, is huge and accepting this grant would force the City to lay off, in an out-of-proportion scale, police

officers, librarians, attorneys, planning staff, public works staff, community center staff, transportation staff, etc...

In addition the taxpayer contributions to the pensions will grow again next year which may cause even more layoffs outside of the fire department the second year of the grant. A concession from the Fire Union to not impact police for example would be much higher than 10 percent and would be in the 15 percent to 20 percent range. A concession of this size is highly unlikely, but never say never.

A FEMA grant with these stringent terms should be rejected Monday unless terms can be changed by the Feds. The Federal COPS grant Council accepted did not have these restrictions.

I highly recommend that you watch the budget study session today at 1:30pm and share your thoughts afterwards.

[Watch the San Jose City Council study session on the 2011 budget here.](#)

[View the San Jose City Council Budget Study Session Agenda here.](#)

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